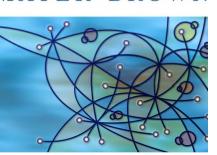
Employee Benefits & Executive Compensation



Annual Limitations

Effective as of January 1, 2018

LIMIT	2018		2017		2016	
Elective Deferrals						
IRC Section: 402(g)(1); 457(e)(15); 408(p)(2)(E)						
401(k), 403(b), 457(b), and SEPs	\$18,500		\$18,000		\$18,000	
SIMPLE Plans	\$12,500		\$12,500		\$12,500	
Catch-up Contributions (age 50 and older)						
IRC Section: 414(v)(2)(B)(i) & (ii)						
401(k), 403(b), Governmental 457(b), and SEPs	\$6,000		\$6,000		\$6,000	
SIMPLE Plans	\$3,000		\$3,000		\$3,000	
Annual Compensation Limit						
IRC Section: 401(a)(17); 404(l)						
General Limit	\$275,000		\$270,000		\$265,000	
Certain Governmental Plans	\$405,000		\$400,000		\$395,000	
Limitations on Benefits and Contributions						
IRC Section: 415(b)(1)(A); 415(c)(1)(A)						
Defined Contribution Plans	\$55,000		\$54,000		\$53,000	
Defined Benefit Plans	\$220,000		\$215,000		\$210,000	
"Highly Compensated Employee" Definition						
IRC Section: 414(q)(1)(B)	\$120,000		\$120,000		\$120,000	
"Key Employee" / "Officer" Definition						
for Top-Heavy Plans						
IRC Section: 416(i)(1)(A)(i)	\$175,000		\$175,000		\$170,000	
PBGC Guaranteed Annual Benefit						
(single life annuity payable at age 65; rounded)	\$65,045		\$64,432		\$60,136	
SEP Coverage						
IRC Section: 408(k)(2)(C); 408(k)(3)(C)						
Minimum Compensation	\$600		\$600		\$600	
Maximum Compensation	\$275,000		\$270,000		\$265,000	
Health Savings Accounts (HSAs)	Single	Family	Single	Family	Single	Family
Maximum Annual Contributions	\$3,450	\$6,900	\$3,400	\$6,750	\$3,350	\$6,750
Minimum Deductible	\$1,350	\$2,700	\$1,300	\$2,600	\$1,300	\$2,600
Maximum Out-of-Pocket	\$6,650	\$13,300	\$6,550	\$13,100	\$6,550	\$13,100
Qualified Small Employer Health	Single	Family	Single	Family	Single	Family
Reimbursement Arrangements (QSEHRAs)						
Maximum Annual Reimbursements	\$5,050	\$10,250	\$4,950	\$10,050	N/A	N/A
Health Care Flexible Spending Account	\$2,650 per		\$2,600 per		\$2,550 per	
Maximum	employee per		employee per		employee per	
Salary Reduction Contributions	unrelated employer*		unrelated employer*		unrelated employer*	
Dependent Care Assistance Maximum	\$5,000		\$5,000		\$5,000	
	\$2,500 (married		\$2,500 (married		\$2,500 (married	
	filing separately)		filing separately)		filing separately)	

Updated as of December 7, 2017

LIMIT	2018	2017	2016
Qualified Transportation Fringe (Monthly)			
Parking	\$260	\$255	\$255
Mass Transit Pass/Vanpool	\$260	\$255	\$255
Adoption Assistance Programs			
Maximum Exclusion per Child	\$13,840	\$13,570	\$13,460
Phase-Out Floor	\$207,580	\$203,540	\$201,920
Phase-Out Ceiling	\$247,580	\$243,540	\$241,920
Long-Term Care Deductible Premiums			
Age 40 and younger	\$420	\$410	\$390
Age 41 to 50	\$780	\$770	\$730
Age 51 to 60	\$1,560	\$1,530	\$1,460
Age 61 to 70	\$4,160	\$4,090	\$3,900
Over age 70	\$5,200	\$5,110	\$4,870
Total FICA Tax (Combined OASDI and HI Portions)			
Employers	7.65%	7.65%	7.65%
Employees	7.65%**	7.65%**	7.65%**
FICA Taxes (HI Portion)			
Employees and Employers, each	1.45%**	1.45%**	1.45%**
Wage Base	All Wages	All Wages	All Wages
Social Security Tax (OASDI Portion)			
Employers	6.2%	6.2%	6.2%
Employees	6.2%	6.2%	6.2%
Wage Base	\$128,400	\$127,200	\$118,500

^{*}Plan sponsors may design their plans to allow participants to carry over up to \$500 of unused amounts for reimbursement of qualified medical expenses incurred during the following plan year. A plan may not simultaneously include this carryover rule and the grace period rule, under which reimbursements may continue to be made for expenses incurred within the first 2 ½ months after the close of the plan year. See IRS Notice 2013-71 for further details.

^{**}Higher-income employees will be subject to an additional 0.9% Medicare tax on wages in excess of threshold amounts based on filing status as listed in the table below. Employers are required to withhold the 0.9% Medicare tax on wages paid to an employee in excess of \$200,000 in 2018 without regard to filing status.

FILING STATUS	THRESHOLD AMOUNT
Married filing jointly	\$250,000
Married filing separately	\$125,000
Single; Head of Household (with qualifying person); or Qualifying widow(er) with dependent child	\$200,000

For more information on the application of these limitations, please contact any of the following members of our benefits practice:

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